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TAGS: [OPRC](#) [KMDR](#)

SUBJECT: MEDIA REACTION: US ECONOMY; US-CHINA RELATIONS; WORLD
ECONOMIC FORUM

TOPICS:

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HEADLINES AND EXCERPTS:

[1. U.S. economy](#)

"U.S. administration is trying its best to keep the fierce economic bull (NOTE: as in the Chinese Year of the Ox, not a bull market) under control"

The center-left Chinese-language Sing Tao Daily News said in an editorial (1/30): "...Even if the House and the Senate eventually approve the plan to boost consumer spending and protect jobs, the Obama administration still may need to urge the Congress to grant an enormous amount of money in order to stabilize the financial system and enterprises. Merely relying on the USD350 billion approved by the Congress earlier has proven to be insufficient to revive the vitality of the finance industry. If the administration sets up a 'bad debt bank' to buy the bad assets from banks as the outside world expects, it may need USD3-4 trillion. If so, the Obama administration will face bigger challenges in the Congress.... At present, the U.S. economy is a destructive and fierce bull. The U.S. administration has to take up the role of bull fighter to stop the bull from dashing around madly. The U.S. administration may have brilliant moves, but frightening scenarios are also inevitable."

[2. U.S.-China relations](#)

"Obama will not stir up trouble for the sake of rescuing the market"

The mass-circulation Chinese-language Apple Daily News remarked in an editorial (1/30): "U.S. Treasury Secretary Geithner, in a Congressional hearing, criticized the Chinese government for manipulating the exchange rate of the yuan. His remarks have aroused public concerns. People fear that the Obama administration may largely adjust the Bush administration's China policy. Sino-U.S. relations, especially trade relations, may decline and the global economic situation may get worst.... It is unlikely for the Obama administration to wage a trade war with the excuse of the exchange rate of the yuan, nor does the objective economic situation allow the Obama administration to do so. Different from a decade ago, China is now an important market for U.S. products and services, and it is also the major creditor nation of the U.S. administration, because it possesses hundreds of billions worth of U.S. Treasury bonds. If the U.S. makes use of the excuse of China manipulating the exchange rate to impose trade sanctions on Chinese

products or to launch a trade war, China may stop absorbing U.S. bonds. It may even sell its US-dollar assets, leading to the depreciation of the U.S. dollar and the rise of long-term interest rates. Eventually, China, the U.S. and even the whole world will lose. In order to prevent the economic situation from getting worse and economic recovery from being postponed indefinitely, the Obama administration urgently needs to strive for the cooperation of all major economic entities, including China, rather than provoking conflict."

"Obama's cross-strait policy will maintain the status quo"

The pro-PRC Chinese-language Macau Daily News remarked in an editorial (1/30): "U.S. Secretary of State Hillary Clinton recently talked about the Taiwan issue. She said that, while respecting the One-China Policy, the U.S. needs to continue to support Taiwan's efforts to gain more international space. U.S. Defense Secretary Gates also talked about China's 'military threat' in his congressional hearings. The outside world cannot but fear that the Obama administration may have changes in its China policy, especially its Taiwan policy. However, due to the common interests of both China and the U.S. and the U.S. having to deal with the economic issue, it is believed that the Obama administration will maintain the status quo in its cross-strait policy."

13. World Economic Forum

"Finding the cause of the crisis, rebuilding the economic order"

The pro-PRC Chinese-language Wen Wei Po had this editorial (1/30): "...The Chinese and Russian premiers' criticisms about U.S. responsibility in the financial tsunami have had the result of clarification, which will help the world to correctly understand the cause of the financial tsunami. Wen Jiabao has a thorough analysis and a precise conclusion as to the cause of the crisis, which is a powerful response to some western politicians' untrue accusations about China. Some western politicians want to shift the public focus and to shirk their responsibility, so they place the blame for the financial crisis on the high saving rate of emerging countries, including China. This accusation is ridiculous and irresponsible.... Facing the most difficult economic situation since the Great Depression, countries should follow the principles of openness and cooperation, guard against trade protectionism, enhance information exchanges and communication, and to enhance supervision on the flow of global capital. Only in this way can the crisis be turned into opportunities, and can countries extricate themselves from the predicament."

DONOVAN